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C O N F I D E N T I A L DJIBOUTI 000528

SIPDIS

FOR AF/EX AND OBO; ALSO FOR AF AND AF/E

E.O. 12958: DECL: 04/12/2014

TAGS: [PREL](#), [ABLD](#), [AMGT](#), [DJ](#)

SUBJECT: AMBASSADOR PRESENTS PRESIDENT GUELLEH WITH OFFER
ON NEC

REF: A. (A) DJIBOUTI 492

[1](#)B. (B) DJIBOUTI 340

Classified By: Classified by Ambassador Marguerita D. Ragsdale for reasons 1.4 (b) and (d).

[1](#)1. (C) At her request, Ambassador met April 11 at the Presidency with President Ismail Omar Guelleh to present the USG's formal offer to purchase land for a new Embassy compound site in the Salines Est section of Djibouti. The Ambassador was accompanied by Pol/Econ and GSO officers. (Notetakers) The Ambassador stated that the U.S. had identified a site of approximately 40,300 square meters and would like to begin construction as early as 2007. The U.S.'s offering price is USD 1,800,000 to include provision for land fill, installation and delivery of utilities to the property, as well as all incidental rights and easements associated with the property. She also gave the President a site drawing of the property in which the U.S. was interested and a non-paper in both English and French of specific points covering details of the offer, offer deadline, and U.S. rights under the Vienna Convention regarding dues, taxes, and fees directly related to purchase of property for a diplomatic mission. (Note: Embassy passed the same details via diplomatic note to Djibouti's Ministry of Foreign Affairs on April 12. See septel.)

[1](#)2. (C) Guelleh commented that he had heard rumors "about town" that the United States was seeking a suitable site and that it had hired a private firm to survey sites and do measurements, and that the findings had been compiled in a "thick book." (Note: Guelleh was referring to the NEC Site Selection Report of August 2003 prepared by DTZ Leadenhall of South Africa. OBO commissioned the report and contracted local architect Daniel Dubois to do the survey. End Note.)

[1](#)3. (C) Guelleh continued that the Government of Djibouti had contracted an investor to develop the site containing the tract the U.S. wishes to purchase. (Note: The developer is Maya Trading and Real Estate Development Company. See Refelts A and B. End Note.) The developer would determine the price of the parcels, he said, after the Government of Djibouti does its own assessment, including the cost of utilities. Guelleh added that his Government had not received from the U.S. any official request for land at the time the contract with the developer was signed. Ambassador asked that Guelleh consider her meeting today with him, and the formal diplomatic note to follow repeating the request, as the U.S. government's formal offer to purchase. Guelleh responded that he would be in agreement with allowing the U.S. to have the parcel of land it is requesting if it has not been granted to anyone else.

[1](#)4. (C) Guelleh then turned to the price of the parcel. He told the Ambassador he thought it was "arbitrary." Per existing agreements regarding specifications and cost of government owned land, he continued, there were already buyers that had received land grants from the government. The U.S. may now have to negotiate with these beneficiaries. Ambassador interjected that the U.S. understood that a portion (approximately 7,142 square meters) of the parcel in question had indeed been sold, but that the U.S.'s interest was in the remaining 40,300 square meters of the parcel.

[1](#)5. (C) Guelleh commented that the Government generally takes 1000 Djiboutian Francs (approximately USD 6) per square meter in a land sale. Beyond that, the cost of utilities and other land preparatory expenses, would be added. He said that the U.S. offer equals roughly 5,000 Djiboutian Francs per square meter (approximately USD 28), but at least 7,000 Djiboutian Francs per square meter (approximately USD 39) would be needed to cover roadways, networks and drainage. Ultimately, he said, the developer would need to determine the final costs. He stated that his Government would review the offer and get back to the Ambassador with an assessment.

RAGSDALE